

MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article 31 - Debt - Public

CAPITAL DEBT MANAGEMENT PROGRAM

25. FINDINGS AND PURPOSE.

(A) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(1) THE STATE HAS FOR MANY YEARS ENJOYED THE HIGHEST CREDIT RATING ON ITS GENERAL OBLIGATION DEBT, THEREBY ENABLING IT TO HAVE A READY MARKET FOR THE SALE OF ITS BONDS AT FAVORABLE RATES OF INTEREST;

(2) RETENTION OF THAT CREDIT RATING IS NECESSARY IN ORDER THAT THE STATE MAY CONTINUE TO FINANCE ESSENTIAL CAPITAL PROJECTS FOR THE BENEFIT OF ITS CITIZENS; AND

(3) IN ORDER TO RETAIN THAT CREDIT RATING, IT IS NECESSARY THAT THE AUTHORIZATION OF NEW GENERAL OBLIGATION DEBT BE BASED UPON THE STATE'S ABILITY TO MANAGE ITS TOTAL DEBT SERVICE REQUIREMENTS IN RELATION TO THE OTHER CALLS UPON ITS FISCAL RESOURCES.

(B) THE PURPOSE OF THIS SUBTITLE IS TO PROVIDE FOR A DEBT MANAGEMENT PROGRAM THROUGH WHICH AN ANNUAL AFFORDABILITY ANALYSIS CAN BE MADE, AND PROPOSED CAPITAL PROJECTS INVOLVING THE CREATION OF NEW GENERAL OBLIGATION DEBT CAN BE EVALUATED IN THE CONTEXT OF THAT ANALYSIS. THIS WILL GUIDE THE GENERAL ASSEMBLY IN SETTING THE PROPER PRIORITIES AMONG CAPITAL PROJECTS AND APPROPRIATIONS. HOWEVER, THE PROVISIONS OF THIS SUBTITLE ARE NOT INTENDED TO INTERFERE IN ANY MANNER WITH THE INDEPENDENT ANALYSIS OF DEBT AFFORDABILITY WHICH THE GENERAL ASSEMBLY WILL CONTINUE TO MAKE.

26. CAPITAL DEBT AFFORDABILITY COMMITTEE.

(A) THE CAPITAL DEBT AFFORDABILITY COMMITTEE IS CREATED AS A UNIT IN THE EXECUTIVE DEPARTMENT. IT CONSISTS OF THE COMPTROLLER, THE TREASURER, THE SECRETARY OF BUDGET AND FISCAL PLANNING, THE SECRETARY OF STATE PLANNING, AND ONE PERSON APPOINTED BY THE GOVERNOR. THE DIRECTOR OF THE DEPARTMENT OF FISCAL SERVICES SHALL BE INVITED TO ATTEND THE MEETINGS OF THE CAPITAL DEBT AFFORDABILITY COMMITTEE. THE TREASURER IS THE CHAIRMAN OF THE COMMITTEE, AND SHALL CALL SUCH MEETINGS OF THE COMMITTEE AS ARE NECESSARY AND PROPER TO PERFORM ITS DUTIES AND FUNCTIONS.

(B) THE COMMITTEE SHALL REVIEW THE SIZE AND CONDITION OF THE STATE DEBT ON A CONTINUING BASIS. ON OR BEFORE AUGUST 1 OF EACH YEAR IT SHALL PREPARE AND SUBMIT TO THE GOVERNOR AND THE GENERAL ASSEMBLY ITS ESTIMATE OF THE MAXIMUM AMOUNT OF NEW GENERAL OBLIGATION DEBT THAT PRUDENTLY MAY BE AUTHORIZED FOR THE NEXT ENSUING FISCAL YEAR. IN